b. The comparable service offered by such a competitor relies upon an essential input (or a non-competitive service) provided by that ILEC in the relevant market; and

c. The ILEC offering the service in the relevant market or geographic area uses the same essential input (or non-competitive service) used by the competitor to provide its comparable service.

In the application of the imputation test to competitive telecommunications services, an "essential input" shall mean a facility, functionality, or service offered by an ILEC for which an equivalent alternative or functional substitute, including self-provisioning by the competitor in a considerable segment of the relevant market or geographic area, is not available from any other provider within the relevant market or geographic area in which that facility, functionality, or service is offered at comparable rates, terms, and conditions.

Notwithstanding the other requirements of this section, price changes for basic local exchange service may only be considered in the context of applications pursuant to Section 4909.18 or 4927.04, Revised Code. Rates for basic local exchange service in effect as of the date of the adoption of these guidelines are not ipso facto required to pass an imputation test.

2. **Methodology**

The price of the telecommunications service subject to the imputation requirement shall be equal to or greater than the sum of the following:

a. The tariffed rate(s) for the essential input(s) (or non-competitive service(s)) as it is actually used by the carrier in its service offering, as such rate(s) would be charged by that carrier to any purchaser of that essential input within that market; and

b. The LRSIC(s) of all other components of the carrier's service offering.

The imputation test may incorporate cost savings that result from the bundled provision of services. The ILEC has the burden of proof of such cost savings.

Product Management; Account 6612 - Sales; Account 6613 - Product Advertising; Account 6621 - Call Completion Service; Account 6622 - Number Services Expense; and Account 6623 - Customer Service. The ILEC shall have the burden of proof that any of these costs would not be avoided in providing a retail telecommunications service for resale. The reseller shall have the burden of proof that any additional costs assigned to other accounts would be avoided in providing a retail telecommunication service for resale.

2. The avoided costs for a specific service offering may differ, depending on the services and functions that the reselling LEC shall provide itself, and the operational support system requested by the reselling LEC.

3. The costs avoided by the ILEC due to providing a specific telecommunications service on a wholesale basis shall include direct and indirect costs of all activities eliminated due to the wholesale provisioning. However, the direct and indirect costs incurred by the ILEC to provide the wholesale function (such as providing electronic operation interface to customer accounts and handling service requests of resellers) may be identified and included in the calculation of the net avoided cost by the ILEC that shall be proposed in the overall determination of the wholesale price of that telecommunications service.

4. For ILEC retail telecommunications services offered at a discount or in a promotion, the wholesale price shall be set at either the promotional rate minus 10% or the wholesale rate, whichever is lower.

F. Imputation Standards

1. Application

An ILEC shall charge all customers which purchase its network elements the same price for the network element that it imputes to itself in determining the cost of all services it offers that require that network element as an input. For ILECS, the imputation requirements shall apply if:

a. The service under review is offered by at least one other provider (the ILEC's competitor) in the relevant market or geographic area;

2. Prices for the transport and termination of local traffic shall be set above a price floor reflecting LRSIC, an appropriate allocation of joint costs, plus 10% of the sum of LRSIC and the allocated joint costs for the recovery of common costs. Also, the price for the transport and termination of local traffic shall be set at a level that allows the LEC to pass an imputation test for local traffic in the aggregate (i.e., including flat-rate, message; measured, and EAS), on a total customer basis (i.e., residence and business), at the end user's rate level in effect at the time the transport and termination of local traffic compensation rates are determined. The price ceiling shall be the maximum price to be established which would allow the LEC to pass that imputation test. Joint costs shall be allocated in accordance with the allocation standards described in Section V.B.3. of these guidelines.

D. Number Portability Pricing

1. Interim Number Portability Pricing

Prices for interim number portability utilizing RCF or DID shall be set at a level that takes account of the relative inferior quality of the service provided, its interim nature, and its necessity for the development of a competitive market for local exchange services. LECs shall not charge any non-recurring charges to recover service orders, installation, and similar upfront expenses associated with the provision of interim number portability utilizing any of the above methods.

2. Long-term Number Portability Pricing

The costs associated with the establishment of long-term number portability shall be borne by all telecommunications carriers on a competitively neutral basis.

E. Resale Pricing

1. ILEC retail telecommunications services are available for resale, and shall be priced on a wholesale basis. Wholesale prices shall be determined on the basis of the retail rates charged to subscribers for the telecommunications service under consideration, excluding the portion thereof attributable to any marketing, billing, collection, and other costs that will be avoided by the ILEC. The avoided costs shall include, but are not limited to, the costs assigned to: Account 5300 - Uncollectible Revenue; Account 6610 - Marketing; Account 6611 -

proof to establish, to the Commission's satisfaction, that a higher profit is warranted.

2. The price for an interconnection rate element or unbundled network rate element shall be set at LRSIC, plus an appropriate allocation of joint costs, plus 10% of the sum of LRSIC and the allocated joint costs for the recovery of common costs. A LEC may seek a waiver from that pricing standard, and shall have the burden of proof that such price level is not compatible with the price established for the comparable functionality or facility provided by the LEC for the transport and termination of local traffic, and to demonstrate any detrimental financial impact of such pricing.

3. In allocating the joint costs among the different services sharing that cost, the ILEC shall perform the allocation based upon measures of utilization, including such measures as: number of circuits, MOUs, and bandwidth. The Commission shall evaluate the joint cost allocation methodology on a case-by-case basis.

4. In developing LRSIC for interconnection and unbundled network elements, the LEC shall:

   a. Reflect costs associated with the unbundling of network elements;

   b. Reflect any avoided cost resulting from selling unbundled network elements at wholesale rather than bundled retail services;

   c. Reflect the geographically-deaveraged costs of the unbundled network elements the LEC plans to offer; and

   d. Reflect any cost-based volume discounts the LEC plans to offer.

C. Pricing of Transport and Termination of Traffic

1. Reciprocal compensation rates for the transport and termination of local traffic shall be set by the LEC at a level that allows the carrier to recover LRSIC associated with the transport and termination of traffic on that LEC's network facilities of calls originated on the network facilities of other LECs, and a reasonable contribution to the joint and common costs incurred by the LEC.

V. PRICING STANDARDS

A. General Principles

1. These standards apply to facilities, functionalities, and services offered by the LECs, except the resale pricing standards which apply only to ILECs.

2. LEC prices for network functionalities, facilities, and services available to other LECs, with the exception of prices set in accordance with the pricing guidelines in Sections V.D. and V.E. of these guidelines, shall be set at a level that allows the providing carrier the opportunity to recover the cost of providing such functionalities, facilities, and services.

   In doing so, prices shall be set at a level that allows the providing LEC to recover its LRSIC (See Attachment A to these guidelines) to provide such functionalities, facilities, and services, and a reasonable contribution to joint and common costs incurred by that LEC. The appropriate contribution amount may vary among various network functionalities, facilities, and services. Essential, non-competitive functionalities, facilities, and services included in the definition of the state universal service listed in Section XIII.A.1., shall bear no more than a reasonable share of the joint and common costs of resources used to provide these services.

3. Subsidies deemed necessary for the provision of the state universal service shall be identified and recovered separately through the state universal service mechanism.

4. Any volume discount or geographically-based deaveraging of the price of any functionality, facility, or service offered by a LEC to other LECs, shall be made available on a nondiscriminatory basis to all LECs who meet the volume discount or the deaveraging criteria.

B. Pricing for Interconnection and Unbundled Network Elements

1. Prices for interconnection and unbundled network elements shall be set in order to allow a LEC to recover its LRSIC for providing interconnection and unbundled network elements, and a reasonable contribution to the joint and common costs incurred by that LEC. The profit level included in the LRSIC shall be the LEC's forward-looking cost of capital. In the event a LEC believes that the cost of capital does not provide a reasonable profit, it has the burden of

b. NECs are not permitted to participate in ORP/SCO arrangements as SECs.

c. When a PEC carries a call which is originated over another PEC's network and terminates on a SEC network behind that intermediate PEC, the originating PEC shall compensate the intermediate PEC carrying the call for the use of the portion of the intermediate PEC's network used to complete the call at the intermediate PEC's terminating exchange access rates (excluding CCLC and RIC), plus the portion of the terminating SEC's network used to complete the call at the terminating SEC's exchange access rates, consistent with Section IV.E.1. of these guidelines.

d. The existing compensation agreements between ILECs under the ORP/SCO plan shall be amended to refer to the tariffed PEC's and SEC's exchange access rates in effect in their intrastate access tariffs rather than the exchange access rates effective the date the PECs entered into the agreements.

e. The existing ORP/SCO arrangements not in compliance with these guidelines shall be revised to incorporate the above revisions within 30 days from the date of issuance of these guidelines. The revised agreements shall be submitted to the Commission for approval pursuant to Section III of these guidelines.

2. **Meet Point Billing**

a. MPB arrangements shall be used in billing for compensation for all types of traffic exchanged between NECs and ILECs similar to MPB arrangements currently used by the ILECs.

b. Under MPB compensation arrangements, the meet point can be any technically feasible point of interconnection pursuant to Section III of these guidelines.

F. Interexchange Carrier's Access Revenue Distribution

1. This guideline shall apply to a LEC only if RCF is used by that LEC as an interim method of providing telephone number portability and shall not apply once the long-term number portability solution is implemented.

2. The LEC providing RCF functionality collects the IXC terminating exchange access revenue in the process of forwarding the IXC's call to an end user of a second carrier. Such LEC shall distribute the collected relevant revenue to compensate the second carrier for revenue lost due to the use of RCF as follows:

   a. The approximation of "terminating IXC access MOUs over ported numbers" to which the revenue distribution would apply, shall be determined by applying the ratio of terminating IXC access MOUs / total (local and toll terminating MOUs), to the actual measured total terminating number portability MOUs. The LEC may use ARMIS report data, if available, or other data sources that both carriers mutually agree to.

   b. The rate adjustment amount, over which the "terminating IXC access MOUs over ported numbers" would apply, shall be calculated as follows:

Rate adjustment =	Total IXC exchange access rate charged by the collecting carrier pursuant to its tariffs
minus	Meet point billing for the collecting carrier
minus	Local reciprocal compensation rate of the second carrier.

G. Billing Arrangements

1. **Originating Responsibility Plan/Secondary Carrier Option (ORP/SCO)**

   a. ILECs shall continue to compensate each other for the transport and termination of each other's traffic pursuant to ORP/SCO, as modified in these guidelines, unless otherwise ordered by the Commission.

telecommunications carriers and terminated on that ILEC's network.

b. NECs shall also tariff the rates, terms, and conditions for compensation for the transport and termination of toll traffic. A NEC may mirror rates, on a rate element basis, of the ILEC providing service in the NEC's service area, for the transport and termination of toll traffic, unless the NEC chooses to establish its own rates for the transport and termination of toll traffic pursuant to Sections IV.D.1.a. and V.C. of these guidelines.

E. Transit Traffic Compensation

Transit traffic is the traffic which originates with one carrier's end user, terminates at a second carrier's end user and is transmitted using an intermediate third carrier's network.

1. The intermediate LEC carrying traffic originating and terminating on other carriers' networks shall be compensated for the use of its network facilities to complete the call.

2. The intermediate carrier may provide transit traffic functionality either by:

   a. Carrying the call over its public switched network, in which case the intermediate carrier shall be compensated at its tariffed exchange access rates, under the same terms and conditions applicable to other ILECs for the provision of a similar functionality (i.e., excluding CCLC and RIC); or

   b. Providing direct connection, if technically feasible, between the originating and terminating carriers if they are both collocated in the intermediate carrier's central office (i.e., tandem or end office). The requesting carrier shall provide a detailed proposal of how the actual connection is to be established, the required equipment to be provided by the intermediate carrier for that purpose, and the requested compensation method. The intermediate carrier shall be compensated for all services, functionalities, and facilities it provides pursuant to Sections III, IV, and V of these guidelines.

This section shall not be construed to preclude LECs from negotiating other transit traffic interconnection and compensation arrangements.

b. An interconnection arrangement may employ bill and keep as a method of compensation for the transport and termination of local traffic for one year, and may require an evaluation of the appropriateness of utilizing such method for the rest of the term of the agreement. Such evaluation shall take into consideration the traffic flow between carriers, the costs incurred by each carrier in the transport and termination of local traffic originated on the other carrier's network, and the characteristics of the end users served by each carrier (i.e., residence and business mix). Such an agreement shall be considered just and reasonable as an interim method affording the mutual recovery of costs through the offsetting of reciprocal obligations and waiving of the mutual recovery of costs.

c. LECs shall offer a reasonable, nondiscriminatory, and competitive flat (per port capacity) compensation rate to other LECs requesting such a compensation method. However, reciprocal compensation rates may also be offered, in addition to a flat (per port capacity) compensation method, which are usage-sensitive (i.e., per minute of use) or which combine usage-sensitive elements and flat-rate elements. These rates shall be set pursuant to Section V.C. of these guidelines. For the Commission to find a proposed rate structure for compensation for the transport and termination of local traffic to be reasonable, a complete, well-developed cost study shall be submitted and evaluated.

d. A NEC may mirror rates of originating LECs for the transport and termination of local traffic on a rate element basis, unless the NEC chooses to establish its own transport and termination of local traffic rates pursuant to Sections IV.D.1.a. and V.C. of these guidelines.

This section shall not be construed to preclude LECs from negotiating other compensation arrangements that satisfy the requirements of Section IV.D.1.a. of these guidelines.

2. Transport and Termination of Toll Traffic

a. Current prevailing ILEC's intrastate exchange access tariffs, including all rates, terms, and conditions as they may be modified, shall be used by ILECs for compensation for transport and termination of toll traffic originated by other originating and terminating within the boundary of such local calling area, regardless of the LEC at the originating or terminating end, shall be treated as a local call, irrespective of subsequent changes in the ILEC's local calling area. The Commission shall specify the date upon which a NEC is deemed operational in an ILEC local calling area in effectuating this guideline. Nothing in these guidelines would preclude the Commission from deciding on a case-by-case basis that an ILEC's local calling area should be expanded, thereby expanding the definition in this section for what should be treated as a local call for traffic termination compensation purposes.

D. **Methods of Compensation for Transport and Termination of Traffic**

1. **Transport and Termination of Local Traffic**

a. Rates, terms, and conditions for the transport and termination of local traffic shall be established through interconnection agreements arrived at either through negotiation, or through arbitration. In addition, rates, terms, and conditions for the transport and termination of local traffic may be established through tariffs approved by the Commission. The Commission, at is discretion, may order the filing of tariffs establishing the rates, terms, and conditions for the transport and termination of local traffic. For an ILEC to comply with Section IV.A.2. of these guidelines, the rates, terms, and conditions for reciprocal compensation shall not be considered just and reasonable unless:

i. They provide for the mutual and reciprocal recovery by each carrier of costs associated with the transport and termination on each carrier's network facilities of calls that originate on the network facilities of the other carrier; and

ii. Such costs are determined on the basis of a reasonable approximation of the additional costs of terminating such a call, pursuant to Section V.C. of these guidelines.

Arrangements that afford the mutual recovery of costs through the offsetting of reciprocal obligations, including arrangements that waive the mutual recovery, such as bill and keep arrangements, are not precluded by this section.

IV. COMPENSATION FOR THE TRANSPORT AND TERMINATION OF TRAFFIC

A. Compensation Principles

1. Cellular Carriers

Interconnection and compensation arrangements between LECs and cellular carriers are subject to FCC and Commission rules and guidelines as they exist and as they may be modified.

2. Reciprocal Compensation

All LECs shall have the duty to establish reciprocal compensation arrangements for the transport and termination of traffic.

3. Eligibility

LECs shall be entitled to compensation for the use of network facilities they own or obtain by leasing from another underlying facilities-based LEC (i.e., through purchasing unbundled network elements) to provide transport and terminate traffic originated on the network facilities of other telecommunications carriers. Nonfacilities-based LECs are not eligible for the transport and termination of traffic.

B. Traffic Measurement

All ILECs and NECs exchanging local and toll traffic shall measure MOUs for compensation purposes if technically and economically feasible. However, carriers that are unable to measure traffic terminating on their network may use a percentage of local use factor in order to bill the originating carrier. All carriers shall be required to maintain records of the originating call details, which will be subject to periodic audits for validation of traffic jurisdiction. Upon mutual agreement, the interconnecting carriers may use separate dedicated trunks for local, intraLATA toll, and interLATA toll traffic transport.

C Local and Toll Traffic Determination

As NECs establish operations within individual ILEC local calling areas, the perimeter of each such local calling area, as revised to reflect EAS, shall constitute the demarcation for differentiating local and toll call types for the purpose of traffic termination compensation. Any end user call arbitrate any open issues by filing an application (ARB) along with a completed Registration Form, as set forth in Attachment B to these guidelines

b. The Commission will review arrangements adopted through arbitration pursuant to the Commission guidelines in Case No. 96-463-TP-UNC.

c. Nondiscrimination Provision

A LEC shall make available any interconnection service, or network element provided under an arbitrated arrangement approved pursuant to this section to which it is a party, to any other requesting telecommunications carrier upon the same terms and conditions as those provided in the arbitrated arrangement.

E. Statement of Generally Available Terms

1. Ameritech Ohio may prepare and file with the Commission a statement of the terms and conditions that it generally offers to other carriers in the state of Ohio to comply with the guidelines established by this Commission in Sections III, IV, V, VIII, IX, XII, XIV, and XVI of these guidelines. Such filing shall be made in a (UNC) case.

2. Upon the filing by Ameritech Ohio of a statement of generally available terms, interested persons may file written comments within 15 days.

3. The Commission will review such a statement within 60 days after the date of the filing and allow the statement to take effect on the 61st day unless Ameritech Ohio agrees to an extension of the review period or unless the Commission disapproves the statement. The Commission may continue to review the statement after the 60-day period.

4. The submission or approval of a statement under this section shall not relieve Ameritech Ohio of its duty to negotiate in good faith the terms and conditions of an agreement pursuant to this section.

agreements need not be resubmitted unless otherwise ordered or requested. The application for approval of the negotiated agreement (NAG) shall be filed along with a completed Registration Form, as set forth in Attachment B to these guidelines.

e. The Commission shall review an agreement arrived at through negotiation and shall approve the agreement if it finds that:

1. The agreement (or any portion thereof) does not discriminate against a telecommunications carrier not a party to the agreement; and

2. The implementation of the agreement (or any portion thereof) is consistent with the public interest, convenience, and necessity.

f. The Commission shall approve or reject the agreement pursuant to the Commission guidelines in Case No. 96-463-TP-UNC.

g. Nondiscrimination Provision

A LEC shall make available any interconnection, service, or network element provided under an agreement approved pursuant to this section and to Section 252 of the 1996 Act to which it is a party, to any other requesting telecommunications carrier upon the same terms and conditions as those provided in the agreement. Existing EAS compensation arrangements for the transport and termination of traffic shall be maintained until the Commission determines otherwise, since such arrangements are not approved by the Commission pursuant to Section 252 of the 1996 Act and shall only be available to other similarly situated LECs establishing an arrangement with a non-competing LEC. This provision odes not prohibit the Commission from imposing bill and keep compensation through arbitration if deemed warranted by the Commission.

3. Arrangements Arrived at Through Arbitration

a. During the period from the 135th to the 160th day (inclusive) after the date in which an ILEC receives a bona fide request for interconnection pursuant to Section III.C. of these guidelines, any party to the negotiation may petition the Commission to

b. The providing carrier shall notify the Commission of any bona fide request pursuant to the Commission guidelines in Case No. 96-463-TP-UNC.

c. As soon as feasible, no later than 115 calendar days from the receipt of a bona fide request, the providing carrier shall provide, in writing, the requesting carrier with a comprehensive quote including, at a minimum: the description of each interconnection and network element provided; rates to be charged for each item; its estimated cash outlays for processing the bona fide request pursuant to Section III.C. of these guidelines; and the installation schedule for each component provided.

d. As soon as feasible, no later than 20 calendar days from the receipt of the quote from the providing carrier, the requesting carrier shall respond in writing by accepting or rejecting the quote.

2. Agreements Arrived at Through Negotiations

a. Upon receiving a bona fide request for interconnection pursuant to Section III.C. of these guidelines, a LEC shall negotiate in good faith and may enter into a binding agreement with the requesting carrier.

b. At any point in time during the negotiation, any party to the negotiation may ask the Commission to participate in the negotiation and to mediate any differences arising during the course of the negotiation, pursuant to the Commission guidelines in Case No. 96-463-TP-UNC.

c. If an agreement is reached, it shall include a detailed list of the itemized charges for interconnection and each service or network element included in the agreement, including all separate agreements involving such services or network elements. The agreement shall also include a detailed implementation schedule of the items included in the agreement.

d. The agreement, including any interconnection agreement negotiated before the date of enactment of the 1996 Act and not previously submitted to the Commission for approval, shall be filed with the Commission for approval. Previously approved

12. If transit traffic functionality is required, the requested method(s) of providing functionality at each requested point of interconnection pursuant to Section IV of these guidelines;

13. The requested completion date; and

14. A list including names, phone numbers, and areas of responsibility of the requesting carrier's contact persons for the negotiation process.

An application fee may be charged by the providing carrier to recover no more than the reasonable cash outlays expended in the course of fulfilling the bona fide request. The amount of the application fee shall be subject to the Commission's review and approval, and shall be assessed only after the Commission has approved an interconnection arrangement or the requesting carrier has decided to no longer pursue the arrangement. Disputes concerning the amount of the fee will be resolved by the Commission through the arbitration process.

D. Process for Negotiation and Approval of Interconnection Agreements (See also the Commission's Guidelines in Case No. 96-463-TP-UNC)

1. Negotiations Procedures

a. Any bona fide request shall be submitted via facsimile, overnight mail, or hand-delivery to the appropriate personnel or division within the LEC's organization in charge of negotiating interconnection arrangements between carriers. Within 5 business days of receiving such request, the providing carrier shall send a letter acknowledging the receipt of the bona fide request and setting the time for the first negotiation meeting within 10 business days from the date the providing carrier received the request. In that letter, the providing carrier shall provide a list of names, phone numbers, and areas of responsibility of contact persons for the negotiation process, and a list of any additional information necessary to process such a request. Within 10 business days of receiving all necessary information, the providing carrier shall inform the requesting carrier, in writing, of any requested interconnection or network element that is not technically feasible to provide, with a detailed explanation of such finding.

submitted by any telecommunications carrier, pursuant to Section 251 of the 1996 Act, shall include, at a minimum, the following, as applicable:

1. The technical description of the requested meet point(s) or, in the alternative, the requested point(s) of collocation (e.g., the end office, tandem, etc.);

2. For each collocation point: a forecast of DS-1 and DS-3 cross connects required during the term of the agreement; the requested interface format (electrical vs. optical); the type of collocation (physical or virtual) requested; and, if physical collocation is requested, the amount of partitioned space required, as well as DC power and environmental requirements;

3. For each meet point, a detailed technical description of the requested interface equipment must be provided;

4. The requested reciprocal compensation arrangement for transport and termination of local traffic;

5. A technical description of any required unbundled network elements;

6. Any requested access to the poles, ducts, conduits, and rights-of-way owned or controlled by the providing carrier;

7. Any requested white pages directory listings for the customer of the requesting carrier's telephone exchange service;

8. Any requested access to 9-1-1, E-9-1-1, directory assistance, operator call completion service, and any required dialing parity capability;

9. Any requested telephone numbers for the assignment to the requesting LEC's local exchange service customers;

10. The requested method(s) of interim number portability capability, until long-term number portability is available;

11. An itemized list of the required telecommunications services to be offered for resale by the providing carrier, and required operational support systems associated with the resale of these telecommunications services;

at least equal to that provided by that LEC to itself or to any subsidiary, affiliate, or any other party to which the carrier provides interconnection. Interconnection can take place at the tandem office, at the end office, or at any technically feasible point, including meet point arrangements. Any carrier requesting interconnection to the existing network shall do so via Feature Group D (FGD) type interconnection. Interconnecting carriers may use one-way trunks or two-way trunks to interconnect for traffic transport and termination.

3. If collocation is the requested form of interconnection, a LEC shall provide physical collocation of equipment necessary for interconnection or access to unbundled network elements at its premises. A LEC shall provide virtual collocation if, upon demonstration by that LEC, the Commission determines that physical collocation is not practical for technical reasons, or because of space limitations. Such determination shall be performed on an individual central office basis. Similarly, virtual collocation shall be provided if requested by the interconnecting carrier. Collocation, physical and virtual, shall be provided pursuant to rates, terms, and conditions that are just, reasonable, and nondiscriminatory.

4. Interconnection rates, terms, and conditions shall be established through negotiation between LECs upon receipt of a bona fide request for interconnection or through arbitration. Such arrangements shall be reviewed and approved by the Commission pursuant to Section III.D. of these guidelines and Case No. 96-463-TP-UNC. In addition, interconnection rates, terms, and conditions may be established through tariffs approved by the Commission. The Commission, at its discretion, may require the filing of tariffs establishing interconnection rates, terms, and conditions.

5. ILEC interconnection rates established under Section III.D.3. and III.E., shall be established pursuant to Section V.B. of these guidelines. A NEC may mirror the interconnection rates of the ILEC with which it is interconnecting, or establish its own interconnection rates pursuant to Section V.B. of these guidelines.

C. Bona Fide Request For Interconnection

A bona fide request for interconnection shall be in writing and shall detail the specifics of the request. A bona fide request for interconnection

E. Maps

LECs must maintain up-to-date maps in their TRF dockets which clearly delineate both their serving areas and local calling areas.

F. Abandonment Proceedings

No LEC may abandon its facilities or the services provided thereby absent Commission approval. Applications seeking permission to abandon facilities or services will be governed by Sections 4905.20 and 4905.21, Revised Code. A LEC seeking to abandon facilities or services must file with the Commission a completed Registration Form, as set forth in Attachment B to these guidelines, along with an application to abandon (ABN). Guidelines regarding the withdrawal of individual services are set forth in Section VI.D. of these guidelines.

III. INTERCONNECTION

The term interconnection as used in these guidelines refers to the facilities and equipment physically linking two networks at the first point of interface between the networks of different carriers.

A. Interconnection Obligation

1. Each LEC has the duty to interconnect directly or indirectly with the facilities and equipment of other telecommunications carriers.

2. Each LEC shall make available interconnection to other LECs upon receipt of a bona fide request for interconnection, unless a waiver of this requirement is ordered by the Commission.

3. All LECs shall have the duty to negotiate in good faith the terms and conditions of the interconnection agreements.

B. Interconnection Standards

1. Each LEC shall provide, for the facilities and equipment of any requesting telecommunications carrier, interconnection with the LEC's network, for the transmission and routing of local exchange service and exchange access services.

2. All LECs shall provide interconnection to requesting carriers at any technically feasible point within the carrier's network, with quality

3. Expansion of NEC Serving Area

A NEC seeking to expand its serving area beyond that which was previously authorized must file with the Commission a completed Registration Form, as set forth in Attachment B to these guidelines, along with an application to amend its certificate (AAC). Such an application must include a detailed description of the proposed new serving area and supporting documentation indicating that the applicant is technically, financially, and managerially able to conduct operations on an expanded basis.

NEC applications seeking to expand an authorized service area shall follow a streamlined regulatory process as follows:

a. Such filing shall be docketed with the Commission and subject to an automatic 30-day approval procedure.

b. Interested entities who can show good cause why such application should not be granted must file with the Commission a written statement detailing the reasons, as well as a motion to intervene, within 15 days after the application is docketed. The applicant shall respond to any motion to intervene within 7 days after the filing of the motion.

c. Absent full or partial suspension, the application shall become effective 31 days after filing.

D. Local Calling Area

1. Definition

Local calling area is the geographic area in which an end user may originate a call without incurring a toll charge.

2. Local Calling Areas

NECs may establish their own local calling areas. NECs may change their local calling areas, once established, by filing an updated map with the Commission in the carrier's TRF docket which accurately depicts the revised local calling area.

a. A NEC's certification application shall be docketed with the Commission and subject to an automatic 60-day approval procedure.

b. Interested entities who can show good cause why such application should not be granted must file with the Commission a written statement detailing the reasons, as well as a motion to intervene, within 30 days after the application is docketed. The applicant shall respond to any motion to intervene with 10 days after the filing of the motion.

c. Absent full or partial suspension, the application shall become effective 61 days after filing.

5. **Conditions of Approval**

It is the applicant's responsibility to satisfy the Commission that the requirements of Section 4905.24, Revised Code, have been met. Section 4905.24, Revised Code, conditions the approval of multiple entities providing service upon a finding by the Commission that such operations are proper and necessary for the public convenience. Such determination shall include a review of the applicant's financial, managerial, and technical ability to provide the proposed service.

6. **Hearing**

In addition to these minimum guidelines, a hearing may be ordered.

C. **Serving Area**

1. **Definition**

Serving area is defined as the geographic area in which a provider of local services provides originating service to any customer upon request.

2. **Self-Definition**

NECs will be permitted to self-define the area in which they will serve customers.

f. Verification of compliance with any applicable affiliate transaction requirements;

g. Documentation attesting to the applicant's financial viability including, at a minimum, a pro forma INCOME statement and a balance sheet;

h. Verification that the applicant will maintain accounting records pursuant to Part 64 of the FCC's rules, the USOA, and any other rules or regulations promulgated by the FCC or this Commission;

i. Documentation attesting to the applicant's technical expertise relative to the proposed service offering(s);

j. Documentation indicating the applicant's corporate structure and ownership;

k. Information pertaining to any similar operations provided by the applicant in other states;

l. Affidavits from two officers certifying the validity of the above information, as well as its intent to fully comply with these guidelines; and

m. Any waivers sought by the applicant.

2. Additional Requirements

Nothing precludes the staff or the Commission from requiring additional information, nor does the promulgation of these guidelines limit the Commission's ability to modify these filing requirements in the future

3. Accounting Standards

Accounting records are required to be maintained in accordance with the USOA for local telephony operations by all LECS. NECs may utilize Class B USOA accounts.

4. Certification Process

NEC certification applications shall follow a streamlined regulatory process as follows:

4. ILECs cannot also be NECs within their current serving areas. A separate NEC affiliate to the ILEC may be established to compete in other ILEC serving areas. These NEC affiliates are subject to the affiliate transaction guidelines embodied in Commission decisions regarding United Telephone Long Distance (Case No. 86-2173-TP-ACE), Ameritech Advanced Data Services, Inc. (Case No. 93-1081-TP-UNC), and in 563, as subsequently amended or supplemented, and any other requirements imposed by the Commission. NECs affiliate with ILECs must seek separate certification to provide service in other ILEC serving areas. Any ILEC that obtains a waiver pursuant to Section II.A.2.b or d of these guidelines shall not be permitted to have an affiliated NEC until such waiver is no longer in effect. Depending on the type of waiver obtained by an ILEC pursuant to Section II.A.2.a., the Commission will make a case-by-case determination as to whether that ILEC may have an affiliated NEC.

B. Nature of Certification Process

1. Minimum Requirements

NECs which are affiliated with ILECs and are seeking authority to offer local exchange services, and other NECs, shall file with the Commission a completed Registration Form as set forth in Attachment B to these guidelines, along with an application for a certificate (ACE) addressing, at a minimum, the following items:

a. Certificate of good standing or certificate to operate as an out-of-state entity and, if applicable, fictitious name authorization;

b. List of officers and directors;

c. Full address and telephone number;

d. Proposed end user and carrier-to-carrier tariffs, if applicable, including a full description of proposed services and operations (proposed tariff may be illustrative), as well as all relevant terms and conditions, to be supplemented with actual tariffs following the establishment of interconnection terms and conditions but prior to the availability of such services and operations;

e. Description of initial serving area and local calling area, along with maps depicting the areas;

approval by the Commission for an alternative regulation plan and ILECs who currently have alternative regulation plans will be regulated under their Commission approved plans, small ILECs will continue to be regulated under 564, and an ILEC under traditional regulation will be regulated as such with its competitive services regulated under 944 and 1144.) it was subject to prior to the Commission's adoption of these guidelines. The automatic time frames included within these local competition guidelines shall not apply to its filings unless and until it no longer has a waiver from these guidelines, except as provided in Section VI.L. of these guidelines.

e. Any LEC seeking a waiver(s) pursuant to Section 251 of the 1996 Act, or which seeks a waiver(s) of these guidelines, shall specify the period of time for which it seeks such waiver(s), and a detailed justification therefor.

3. **Rules and Regulations**

a. Except as indicated in these guidelines, requirements placed on the ILECs by the Ohio Administrative Code and the Ohio Revised Code will apply to the NECs unless modified through an appropriate regulatory proceeding. To the extent they do not conflict with the provisions set forth herein, Commission requirements and policies will apply to the operations of the NECs. Examples of such requirements and policies include, but are not limited to, MTSS, lifeline services (SCA/TSA), discounts for persons with communications disabilities, blocking of 976 services, disconnection of local service rules, 9-1-1 service, privacy and number disclosure requirements, and provisions involving customer-owned, coin-operated telephones. In addition, the requirements imposed on AOS providers in Case Nos. 88-560-TP-COI and 563 shall be applicable to NECs.

b. **Minimum Service Requirements**

The MTSS, as these currently exist and as may be modified by this Commission, apply to all LECs. LECs may seek waivers or modifications of a particular MTSS based upon their own unique circumstances. The Commission shall have the ultimate authority to rule on all waiver requests.

d. Any other information in support of its plan, including, but not limited to: economic burden; technical feasibility; and impact on universal service.

ii. Upon a petition from a rural carrier for a suspension or modification of the application of a requirement or requirements of these guidelines, the Commission shall act within 180 days after receiving such petition. Pending such action, the Commission may suspend enforcement of the requirement or requirements to which the petition applies with respect to the petitioning carrier. The Commission may also consider such request in the context of filings pursuant to Section 4905.24, 4927.03, and/or 4927.04, Revised Code.

iii. In considering a petition from a rural carrier for any type of exemption, the Commission will consider if it:

a. Is necessary in order:

i. To avoid a significant adverse economic impact on users of telecommunications services generally;

ii. To avoid imposing a requirement that is unduly economically burdensome; or

iii. To avoid imposing a requirement that is technically infeasible.

b. Is consistent with the public interest, convenience, and necessity

In reaching its decision, the Commission will take into consideration the plan filed by the rural carrier as required in Section II.A.2.d.i., above, as well as the progress attained by the rural carrier in reaching its milestones in a timely manner. The Commission reserves the right to modify or reject any such waiver request.

iv. Unless the Commission finds it otherwise appropriate, a rural carrier that obtains a waiver from these guidelines will remain under the regulations regulatory framework (i.e., ILECs who seek approval and who are granted ordered within 120 days after the Commission receives notice of the request. The Commission will establish an implementation schedule in these instances.

iv. The Commission will consider whether the termination of the RLEC's waiver would result in undue economic burden, is not technically feasible, or does not comport with universal service principles, and will issue an order outlining its findings. In reaching its decision, the Commission will take into consideration the plan filed by the RLEC as required in Section II.A.2.b.ii., above, as well as the progress attained by the RLEC in reaching its milestones in a timely manner.

d. **Rural Carrier Exemptions**

i. Each rural carrier which seeks an exemption under Section 251 of the 1996 Act or which seeks a waiver of these guidelines must submit a plan to the Commission for the Commission's review and approval, as to how it is preparing for the introduction of local competition in its service area. For rural carriers that are also RLECs, the plan must be filed within one year from the date the Commission adopts these guidelines or 60 days after the receipt of a bona fide request, whichever is earlier. For rural carriers that are not also RLECs, the plan must be filed within 180 days from the date the Commission adopts these guidelines, or 30 days after the receipt of a bona fide request, whichever is earlier. This plan must include, at a minimum, the following:

a. How its plan will benefit the public interest;

b. What steps it intends to take to prepare for the competitive entry of other LECs in its serving area. This should be presented in the form of a plan which specifies milestones and a timeline;

c. A timetable and outline of information to be included in progress reports to be submitted to the Commission regarding preparations for competitive entry; and